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UNIVERSITY OF CALIFORNIA  
APR 1 1921  
NATIONAL ASSOCIATION  
of CORPORATION TRAINING  
BULLETIN

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Volume VIII

April, 1921

## How is the Cooperative Store faring?

Either to affirm or disprove publicity to the effect that the cooperative store, sometimes known as the corporation store, and again as the company store, is declining and the number growing less, the Association has conducted a questionnaire survey and presents the results in a feature article in this issue of the BULLETIN. The information developed will be interesting to those of our members who may contemplate cooperative buying and selling, and also to other members who are now conducting cooperative stores or who may have been connected with some of the movements which were not successful or for any cause have ceased to exist.

PUBLISHED BY ORDER OF THE  
EXECUTIVE COMMITTEE

# National Association of Corporation Training

Headquarters, 120 East 15th Street, New York, N. Y.

## Objects

Corporations are realizing more and more the importance of education in the efficient management of their business. The Company school has been sufficiently tried out as a method of increasing efficiency to warrant its continuance as an industrial factor.

The National Association of Corporation Training aims to render new corporation schools successful from the start by warning them against the pitfalls into which others have fallen and to provide a forum where corporation school officers may interchange experience. The control is vested in the member corporations, thus admitting only so much of theory and business activities as the corporations themselves feel will be beneficial and will return dividends on their investment in time and membership fees.

A central office is maintained where information is gathered, arranged and classified regarding every phase of industrial education. This is available to all corporations, companies, firms or individuals who now maintain or desire to institute educational courses upon becoming members of the Association.

## Functions

The functions of the Association are threefold: to develop the efficiency of the individual employee; to increase efficiency in industry; to have the courses in established educational institutions modified to meet more fully the needs of industry.

## Membership

From the Constitution—Article III.

Section 1.—Members shall be divided into three classes: Class A (Company Members), Class B (Members), Class C (Associate Members).

Section 2.—Class A members shall be commercial, industrial, transportation or governmental organizations, whether under corporation, firm or individual ownership, which now are or may be interested in the education of their employees. They shall be entitled, through their properly accredited representatives, to attend all meetings of the Association, to vote and to hold office.

Section 3.—Class B members shall be officers, managers or instructors of schools conducted by corporations that are Class A members. They shall be entitled to hold office and attend all general meetings of the Association.

Section 4.—Class C members shall be those not eligible for membership in Class A or Class B who are in sympathy with the objects of the Association.

## Dues

From the By-Laws—Article V.

Section 1.—An initiation fee of \$100.00 shall be charged all new class "A" members in addition to annual dues.

Section 2.—The annual dues for membership in the National Association of Corporation Training shall be as follows:

The annual dues of Class "A" members shall be \$100.00

The annual dues of Class "B" members shall be 5.00

The annual dues of Class "C" members shall be 10.00

All dues shall be payable in advance and shall cover the calendar year. New Class "A" members joining between January 1 and April 1 shall pay first year's dues of \$100.00. Those joining between April 1 and July 1 shall pay nine months' dues or \$75.00. Those joining between July 1 and October 1 shall pay six months' dues or \$50.00. Those joining between October 1 and December 31, shall pay three months' dues or \$25.00.

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# BULLETIN

Published Monthly by

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130 E. 15th Street, New York, N. Y.

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## EMPLOYEE STOCK-OWNERSHIP PLANS

The Association has just issued a Special Report covering plans instituted by industrial and commercial organizations, the object of which is to encourage employees of these organizations to become stockholders and to retain their stock. The Report gives nearly one hundred different plans which have been made effective and are still in operation. Included in the business organizations which have adopted some one of these plans are several of the largest railroads, the Standard Oil and the United States Steel companies, and other representative corporations.

A recent survey of developments in the personnel divisions of modern business organizations reveals that stockownership by employees of the company with which they are identified and employee insurance, were the two developments which are making most progress. It is logical that such should be the case.

In the life of every man who works for wages, there are three periods which he dreads, and which his family or others dependent upon his wages also dread. These periods are sickness, unemployment, and old age. In a measure, employee insurance can be utilized to relieve distress. It has been found that stock-ownership in the company by which the wage earner is employed is also an excellent means of relieving distress during these periods; but it is not wholly as a means of relieving distress, especially during the years when the employee has become too old to longer labor; as the plan has also proven effective in reducing labor turnover.

The Report contains a summary of the special features of all the plans, and also the plans in full, or a sufficient amount of information to cover all important information. Copies of the report have been forwarded to the presidents of all Class "A" member companies, and also to Class "A" representatives. The report is available only to Class "A" member companies, and is not sold.

### COOPERATION AND UNDERSTANDING VERSUS "COLLECTIVE BARGAINING"

Industry, since it became large, has been operated along much the same lines as at present. There is and always has been waste. As production grew, combinations came into existence to lessen production and to stabilize and sometimes to increase prices. These combinations realizing their strength, oft times oppressed labor. Recognizing this condition, labor organized to protect its collective interests, and when opportunity offered, became tyrannical in its selfish interest. Out of these conditions grew what is known as "collective bargaining"—more often collective fighting. Strife, waste and hatred have predominated in a greater or lesser degree.

The newer conception, although as yet not generally accepted, is that cooperation must supersede strife. Strife is the result of allowing feelings to dictate. Cooperation is the voice of intellect. Cooperation can be made effective only when there is recognition of its advantages by all of the factors or elements concerned. Such recognition is becoming more general, but even acknowledging the superiority of cooperation and understanding over selfish advantage and strife, there must be methods for insuring cooperation.

Some plans have been tried out and well established: Scientific employing, promoting on merit, unusual rewards for unusual service, training, health education, employe stock-ownership, retirement pensions or service annuities, group insurance, representation on the board of directors for the workers, and many similar developments.

In his reply to the charges made by Comptroller Williams that the United States Steel Corporation had profiteered, Judge Gary said:

"Opinions on this will differ, but it is a fundamental rule in business, I believe, that industrial capital should equitably be permitted to earn all it can under competitive conditions, and provided it enjoys no special privileges;" but, continued Judge Gary, "I submit to you that during the last two years the Steel Corporation has not availed itself of this primary rule of business. It could have made larger profits than it did, had it so elected, but it limited its efforts in this direction to obtaining a return of profit not in excess of what it viewed was a fair and reasonable return on the investment value of its properties and resources."

This is a stating of the newer and better conception—a wiser



philosophy. Industry exists but to serve a useful purpose to society. The Emancipation Proclamation, setting at naught slavery in the United States, took no recognition of the property rights of those who owned slaves. The eighteenth amendment to the Constitution provides no recompense for the owners of distilleries, breweries, saloons, and others adversely affected, financially, by prohibition.

The annual waste due to strife under the "collective bargaining" plan is estimated by conservative authorities to be as much as twenty-five per cent of the total annually created wealth. This waste can and should be eliminated. Cooperation and understanding is the remedy, and this remedy will be applied as rapidly as means can be found for making the new philosophy effective.

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### GENERAL WELFARE GAINING ASCENDANCY OVER INDIVIDUAL SUCCESS

During a recent convention of the salesmen of the National Cash Register Co., the *Dayton Daily News* interviewed one sales representative from each of the states on the subject of "The Biggest Thing in the World." Twenty of the forty-eight men interviewed stated that the greatest thing is "service". The others interviewed were divided in their opinions between love, courage, thought, faith, charity, and the home. If the opinions of those interviewed represent with any degree of accuracy the opinions held by other intelligent thinking men, it behooves us to inquire closely as to just what service is.

In Webster's dictionary the term is defined as "the performance of labor for the benefit of another." The word also has other meanings, such as "to perform labor for hire"; but so far as the interviewed were concerned, they spoke only of the word in its meaning "the performance of labor for the benefit of another."

If memory serves the writer correctly, it was A. F. Sheldon, the father of the Sheldon School of Salesmanship, who originated the phrase "He profits most who serves best". Service has become an important, if not indeed a dominant factor in marketing. Granted that many products of the present period are equal in value, why do the producers of some of these products hold their market and become wealthy, while others producing products of equal value, ultimately fail? The answer is "service".

The rule is now fairly well established that business organi-

zations cannot permanently exist merely to make a profit for those whose money is invested in these enterprises. In making the eighteenth amendment to the Constitution effective, the property rights of those whose money was invested in distilleries, breweries, saloons, etc., were ignored. Property rights were ignored in the abolition of slavery in the United States. Property rights were almost ignored in the levying of taxes to prosecute the world war; indeed, individual rights were ignored insofar as the requirements of the Government were concerned in making effective the universal draft regulations.

Service to one's fellow man is not only desirable, but more and more is being exacted from the individual in the interest of organized society. It is this new recognition that will ultimately change the conception, almost universal, that individual success is the goal most truly desired. Individual success in the United States has been almost a fetish. We have glorified the individual without taking account as to the results upon the people as a whole of the methods which have been employed in insuring individual aggrandizement. Now the new, broader, and better conception that the real aim of organized society is the welfare of the greatest number is rapidly gaining recognition.

All industry must prosper in pretty much the same degree, or all industry will suffer. Efforts of capital to promote its own interests without special regard to the results will not much longer be tolerated; neither will the efforts of organized labor to promote its special interests much longer be tolerated. The public is tired of being always on the casualty list, but never represented at the peace table. The business organization which seeks to promote its selfish ends without special regard to the consequences upon industry as a whole is predoomed to failure. Selfish success is no longer recognized as a laudable ideal.

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#### **FURTHER INFORMATION REGARDING OPERATIONS OF "INDUSTRIAL COURTS"**

Another test has been made of the ability of the Industrial Court, created by legislation in the State of Kansas, to enforce its edicts. Alexander Howat, District President of the Miners' Union and other union officials have been sentenced to a year in jail for contempt of an edict made by the Industrial Court. Howat and his associates called a strike after the Court had ordered them not to do so. The Court also ordered the Mackie Fuel Co. to pay certain wages due to a former employee, the

withholding of which wage resulted in the calling of the strike. After receiving their jail sentences the officials called off the strike.

Commenting on this newest development in relation to the experiment of Kansas designed to adjust industrial disputes and compel both parties to accept the decision of the court of law, the *New York Times* said:

"There can be no doubt that Alexander Howat and his five associates were in contempt of the Industrial Court of Kansas. In the face of an injunction they called a strike at two mines, and on the most trivial provocation. The only question was as to the age of a young miner, upon which depended the rate of his pay. In the absence of any other motive the explanation advanced in Kansas is plausible—that the 'invincible' Howat was bent on justifying his nickname by openly flouting Governor Allen and his new Industrial Court. Judge Curran sentenced the defendants to a year in prison because they disregarded the injunction and because they 'wilfully violated the intents and purposes of the Kansas Industrial Court law.'

"This is one of several welcome signs that the court is pioneering to good purpose in the difficult field of industrial relations. At the outset few observers beyond the borders of Kansas had hopes of it. In Australia the establishment of a similar court had been followed by a notable increase of strikes. The people were not in sympathy, and the court was overwhelmed in ridicule. The Kansas experiment, it will be remembered, grew out of a strike in the mines last winter, during which homes and hospitals suffered bitterly from cold. The strike was broken by an uprising of ex-service men armed with pick and shovel. As that strike was reckless in its cruelty, so this one was reckless in its triviality. But the people of Kansas, as it seems, are marching with even tread."

Professor Alfred McCormack, of Princeton University, took exception to the comments of the *New York Times* as to the experience of the Industrial Courts in Australia, and contributes the following further information to the discussion:

"In your editorial article on 'The Industrial Court' you made this statement: 'In Australia the establishment of a similar court had been followed by a notable increase of strikes.'

"This is in accord with an impression that has been general in America, and even in Britain, that the Australian Court of Conciliation and Arbitration has been a failure, and is not, I think, supported by the facts.

"There is, in the first place, a confusion between the wage boards and courts within the separate States that make up the Commonwealth and the central court, which has jurisdiction over those disputes that extend beyond the boundaries of one State, in the same way that the Interstate Commerce Commission has control over interstate railroads. The Commonwealth court is, while the local wage boards are not, analogous to the Kansas court.

"In a series of articles in the Harvard Law Review and in the publications of the Bureau of Labor at Washington, Mr. Henry B. Huggins, Justice of the Supreme Court of Australia and President of the Industrial Court, tells the story of the Commonwealth experiment. From the facts brought out in these articles, as well as from the statements therein quoted from employers, labor leaders and general observers outside of industry, it is plain that Australia has had a large measure of success with compulsory arbitration.

"It is not possible to do more than call your attention to these articles. They show that in the fifteen years of the court's existence (from 1904 to 1919) there were only three strikes in disputes that might have come before the court. And the fact is significant that in no case was an appeal taken from the decision of the court to the strike. On the other hand, the court has settled a large number of disputes, has done much to ameliorate and stabilize industrial conditions, to promote real industrial peace, and has gained the confidence of the workers and of most of the employers. Mr. Huggins suggests certain alterations in the law that might serve to make the court more effective, but concludes that it has to a large extent realized its purpose and gives promise of establishing a 'new province for law and order.'"

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#### TABLOID EDITORIALS

James J. Davis, Secretary of Labor in President Harding's cabinet, upon accepting his appointment said:

"Employers and employes have their duties one to the other and both to the public as well as their respective rights. I will endeavor to secure a proper recognition from both of their duties as well as their rights. Whatever I do, I'll play the game straight, and expect others to do likewise."

"Work hard, study hard, and get plenty of sleep," is the motto of Mr. Davis.

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"So it is not enough to change the face of the world with



cities, mines, farms and factories. Man must be taught to use them. Advantageous changes in the world's things produce their benefits only when accompanied by changes in the human natures which are to live with them."—Edward L. Thorndike.

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## OPINIONS OF SUCCESSFUL MEN

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### THE LABOR SITUATION

Labor efficiency and industrial demoralization grew very great as the post-war boom went on. A decline in the efficiency of labor and an increase in labor costs per unit of output always appears in the latter stage of a boom period. In a boom period certain "marginal" or inefficient labor is employed which would have difficulty in finding employment in dull times, and is taken on often at full wage rates. A great deal of overtime work is engaged in, and overtime rates increase labor costs. Overtime work, moreover, if protracted through a series of weeks, leads to weariness on the part of labor, and leaves labor less efficient for its regular work. Shop discipline is increasingly difficult in a boom time, since competition among different businesses for labor is especially severe, and employees know that they can get jobs across the street for the asking. It is difficult to hold labor to its tasks under such conditions. Moreover, the turnover of labor is very rapid in such a period, and there is large loss and friction after a laborer has left one job before he has thoroughly learned his new job. . . .

Reference has been made in a preceding section to the increasing inefficiency, going along with increased wages, of American labor during the boom period. The writer inclines to the view that this represents primarily an intensification of factors which always come in boom periods. The writer does not believe that American labor, by and large, is dominated by social radicalism, or that fair-minded business men are going to meet insuperable difficulties in solving the problems of wage readjustment, which the present situation involves. Already there is evidence in many lines of a great increase in labor efficiency. Already laborers in many lines have voluntarily agreed to substantial wage reductions. Such danger as exists in the situation is due to extremists in both camps. There are employers who are disposed to take advantage of the present situation, not merely to make necessary reductions in wages, but also to destroy the

unions. There are, on the other hand, radical labor leaders who will seek to take advantage of unemployment and distress as a means of laying the basis for social revolution. There was never a time when it was more necessary that moderate men in both camps should get together and cooperate. There was never a time when more of magnanimity, good temper, frank dealing and cooperation was called for. In this it is important to recognize that, precisely because the business man has as a rule more intelligence, greater cultural advantages, and greater economic resources than the laborer, it is his duty to go more than half way in the process of conciliation and fair dealing.—B. M. Anderson, Jr., Economist of the Chase National Bank.

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### “THREE MEN IN A BOAT”

In the conduct of our business we recognize three elements as fundamentally necessary: Capital, management and labor. We regard all three as co-workers, each performing a distinct function—a three-fold combination without which our business would be incapable of accomplishing its purpose.

These three elements enter into our cost of operation.

Capital must have its recompense, or it would cease to be available. It is strange that certain doctrinaire teachers cannot comprehend this simple fact. The price we must pay for capital is conservative, owing to the successful record of our business.

Management, too, must have its reward. Without management there can be no organization of effort, and consequently no earnings. And there can be no division of wealth until it is first earned. Our cost of management compares favorably, we believe, with that of other well-organized industries. No large salaries which might conceal profits are paid.

It is Armour and Company's contention that an equitable division of earnings is one of the roots of business wisdom. We have no sympathy with the type of management which does not stand for unqualified fairness. Neither do we condone unfair tactics on the part of labor. Labor must purge itself of those leaders who believe in extortion as a principle of action—it must do away with the red radical and the self-seeking grafter who uses labor itself only as a means to an end.

Since labor *ultimately* constitutes the greatest element in the cost of almost every commodity, unfairness of wage demands can only result in one portion of labor preying upon another, to be itself preyed upon in its turn. Maintaining the just ratio between

labor costs in all lines and all occupations is the only basis for stability.

There is a higher ideal in business than self-seeking. It is efficient production and efficient distribution, followed by an impartially just division of the earnings which these bring forth. There is no other way for creating additional wealth and adding to the prosperity of the country.—From Armour and Company's Year Book.

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### MUST WORK HARD AND ELIMINATE WASTE

The great economic difficulties that we inherit from the war are obvious enough, and they emphasize the necessity of better governmental machinery to assist in their solution. Their final remedy must rest on the initiative of our own people—the rate of recovery can be expedited by greater co-operation in the community and with the community by the Government, and this department and the whole Government wishes to assist wherever it can to stimulate and assist this co-operation.

In the long run, we may as well realize that we must face a lower standard of living in Europe many years ahead. The production costs of her people will in consequence be lower than even before the war. If we meet this competition and still maintain our high standards of living we will have to work harder; we will have to eliminate waste; we will need to still further improve our processes, our labor relationship and business methods.

If we would so improve our national efficiency and our foreign trade we must consider our transportation, railway, water and marine, as one system directed to serve the nation as a whole. The development of certain trade routes through our mercantile marine as the real extension of our inland transportation; the improvement of great waterways; the opening of the Great Lakes to ocean-going vessels; the development of great electrification of our power necessities, and the handling of our labor readjustment by moderate men on both sides are all problems that have a fundamental bearing on the recovery in commerce and on our ability to compete.

There are some economic difficulties arising from the war that will no doubt solve themselves with time, but an infinite amount of misery could be saved if we had the same spirit of spontaneous co-operation in every community for reconstruction that we had in war. Government departments can at least try to

do something to inspire such renewed co-operation. For instance, we have three or four million idle men walking the streets and at the same time we are short more than a million homes; our railways are far below their need in equipment; our power plants, waterways and highways are all far behind our national needs in normal commerce.

To apply this idle labor to our capital equipment is one of the first problems of the country. Its solution involves constructive action in many directions, but, among other things, definite resolution of each local community to secure co-operation in itself. In the building trades, for instance, a get-together attitude on the part of labor, material manufacturers and contractors in every locality to eliminate mispractices and bring down the expense of housing would comprise the first step of recovery—of re-employment.—Herbert Hoover, Secretary of Commerce.

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#### **NEW MEMBERS**

Since the last statement appearing in the *BULLETIN* the following new members have been received.

##### **Class "B"**

Bessie Bunzel, Metropolitan Insurance Company, New York, N. Y.

W. C. DeMotte, National Casket Company, Chicago, Ill.

C. J. Olson, The Proctor & Gamble Distributing Company, Chicago, Ill.

L. J. Towneley, National Casket Company, Long Island City, N. Y.

##### **Class "C"**

Charles L. Huston, Lukens Steel Company, Coatesville, Pa.

G. H. Parkes, Williamsport Cooperative Industrial School, Williamsport, Pa.

Edwin M. Robinson, The Liquid Carbonic Company, Chicago, Ill.

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#### **Personnel Activities of the U. S. Steel Corporation**

Members of the Association will be interested in Bulletin No. 8, issued by the Bureau of Safety, Sanitation and Welfare of the United States Steel Corporation. This bulletin gives a complete outline of the personnel activities conducted by this great corporation. Copies can undoubtedly be secured by members of the Association by directing their request to the Bureau at 71 Broadway, New York City.



## NINTH ANNUAL CONVENTION AT NIAGARA FALLS

President Park, as Chairman of the Program Committee, Has Nearly Completed Arrangements for the Convention—Chairman Cole of the Western New York Chapter has Taken Care of the Local Arrangements, and Every Indication Points to a Large and Enthusiastic Meeting—Headquarters Will be at the Chamber of Commerce Rooms, but Delegates Should Make Their Reservations for Hotel Accommodations Through Mr. G. R. Bremner, The Clifton Hotel, Niagara Falls, Canada.

Owing to the large number of Sub-Committee reports to be presented this year, it will be necessary to hold parallel sessions during a portion of the convention, in order to complete the program in one week.

The Clifton hotel on the Canadian side is practically the only first class hotel in Niagara Falls at the present time, but the facilities of this famous hostelry are available to the delegates who will attend the meeting. Reservations should be made directly through Mr. G. R. Bremner, Manager of the hotel, who is serving as a member of the Local Committee. Publicity is to be taken care of by the Managing Director and Mr. Lee E. Gooding, City Editor of the *Niagara Falls Gazette*, who is also serving as a member of the Local Committee.

The Program Committee decided that four speakers should be invited this year to address the delegates, the invitations to be extended by President Park. Mr. A. Monroe Grier, K. C., President of the Canadian Niagara Power Company, and a speaker of international reputation, will make the only address at the banquet, which will be followed by entertainment and dancing. Mr. Henry L. Doherty, President of Henry L. Doherty & Company, and a recognized authority on thrift, will be invited to address the delegates on Monday evening on the subject of "Thrift." On Tuesday evening, Mr. R. H. Rice, Manager of the Lynn works of the General Electric Company and one of the best posted men upon the subject of "Employee Representation in Management" will be invited to speak on that subject, and on Thursday evening, Mr. E. H. Hall, Vice-President of the American Telephone & Telegraph Company, in charge of personnel, will be asked to address the delegates on the subject "The Place of a Personnel Department in a Business Organization." Friday forenoon the annual business session will be held, and Friday

afternoon as usual, will be devoted to recreation and other social features.

As Canadian business organizations are admitted to membership in the Association on exactly the same basis as similar organizations in the United States, the Managing Director has secured through the courtesy of the Canadian Manufacturers Association, a list of all business organizations in Canada employing 500 or more people. A copy of the program and an invitation will be sent to this list, inviting these business organizations to send delegates to the convention. Present indications are that there will be a large representation from our own country, and that, on the whole, the convention will be the largest and most enthusiastic the Association has held.

The Sub-Committees this year have functioned splendidly. At the time the April BULLETIN goes to press (March 15th) several reports have been received by the Managing Director and will be printed as rapidly as possible, and copies mailed to all members. The reports so far received are most excellent in character. The Association has now existed for a sufficient period of time to allow its members to become conversant with methods and information, which insures the most helpful results.

Dress at the banquet, which will be held on Wednesday evening, will be informal as in the past, and delegates are requested to bring their wives, as there will be an excellent program of entertainment.

A word from our members to representatives of other business organizations will prove helpful in making the attendance at the convention large and representative. This is a cooperative organization. Every member has an opportunity to assist in making the Association just what he desires it to be, and members usually profit just about in the degree as they contribute to the Association's developments.

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#### **Portsmouth Cotton Oil Refining Corporation Issues a Booklet on Rules and Regulations**

The Portsmouth Cotton Oil Refining Corporation has joined the rapidly increasing list of business organizations which find booklets of information helpful in reducing labor turn-over and increasing satisfaction among their employees. In such booklets all information desired by employees is given, and such additional information as the management desires the employees to have.

The custom of issuing such booklets is becoming general.

## HOW IS THE COOPERATIVE STORE FARING?

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**Either to Confirm or Deny Published Statements to the Effect That the Cooperative Store Has Not Proven a Success in the United States, the Association Caused to be Issued a Questionnaire, and by This Method Made a Survey of the Companies Having Class "A" Membership in the Association and Which Conduct Buying and Selling Plans on Behalf of Their Employees. Results of the Canvass Indicate a Decline in Interest and a Decrease in the Number of Stores Operating.**

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In September, 1917, we published an article in the BULLETIN entitled "Cooperation Through the Corporation Store." At that time cooperative selling plans of all kinds, although as was pointed out in the article, frequently the target of much hostile and some legitimate criticism, had certainly to be counted among the emphatically worthwhile agencies for bettering the lot of the wage earner.

### **Indications of a Decline in Cooperative Selling Plans**

Recently, however, an article appeared in one of the Metropolitan dailies in which the assertion was made that co-operative selling plans in this country have fulfilled their mission and are now definitely on the decline in both success and popularity. The statement is echoed by the *New York Journal of Commerce* with the added comment that such plans "seem to be successful only in the country of their origin," namely, Great Britain; while a British observer of American business conditions quoted in *The Canadian Grocer*, ventures the opinion that selling competition is too keen and the art of salesmanship is too far advanced in the United States for the movement to succeed."

With the object of establishing the truth or fallacy of these statements, an investigation of the present status of the co-operative store in this country was undertaken by the office of the Managing Director of the Association and with the following results:

### **Two Ends in View in Establishment of Corporation Stores**

As was pointed out in the previous article in the BULLETIN:

Ostensibly, a company has usually one of two ends in view in the establishment of a corporation store. Either it desires to make it possible for its employees to buy the necessities of life

at less than the prevailing cost—a desire that has been greatly stimulated by present conditions—or it wishes to provide facilities for the purchase of such necessities where none have previously existed, as is frequently found to be the case when plants are situated in isolated localities.

If this statement is true, and it can hardly be questioned with safety, the expediency and success of such plans—and again we quote from the previous BULLETIN article—"obviously must depend either upon the existence of a recognized need for the protection of the employes from inflated prices of the necessities of life, or the isolated location of the business."

#### **Where There Has Been No Decline**

Investigation indicates that in the case of approximately four-fifths of the co-operative sales plans in effect, a distinct falling off in interest and sales has been observed—even to an extent, in a number of cases, which has impelled discontinuance or raised a question as to the wisdom of continuing. The plans which are still operating with equal or greater success than in the past are chiefly those in operation in isolated, one-industry towns where capital has not as yet seen its way to establish a first class store, or to an efficiency of operation comparable to that which prevails in the most skillfully managed retail stores—an ideal seldom attained. One company which has discontinued its plan observes in this connection:

It is our belief, based on experience, that Co-operative Stores can be operated on a self-supporting basis, marketing merchandise at lower prices than the members can obtain through the average retail stores, if correct business methods are used in buying, selling, publicity and accounting. The success of a Co-operative Store depends largely on the efficiency of the service rendered.

The Co-operative Society of a company manufacturing electrical supplies and situated in a town practically dependent upon it for a livelihood has been able to produce a profit and loss statement for its last quarter showing a conservative profit over many difficulties, with figures showing strengthening sales, position and substantial reduction in overhead expenses. A dividend of 2% on all purchases by members for the quarter was recently voted by the Board of Trustees. This dividend was payable in cash at the store office upon presentation of members, purchase slips received during October, November, December, 1920, within 14 days of January 18, 1921, after which date all unclaimed divi-



dends were accredited to capital account. Members had, of course, to present some form of identification, as for instance a "certificate" when calling for dividends. During the meeting when the dividend was voted, the secretary gave financial reports showing the per capita division of organization expense as amounting to 21 cents per member.

Another co-operative store managed by the Mutual Benefit Association of a certain great railroad system in a town dependent upon it is also reported as increasingly successful, although the management must rely, at least in part, on the voluntary service of members of the Association after their work for the day is over. And moreover, the increasing business is also ascribed to the present very rapid increase in the membership of the Association, a condition which circumstances might easily reverse. The monthly sales are reported as averaging \$5,000 with a substantial increase for the Christmas month, December.

A Connecticut company, optimistic even while reporting that business depression has affected the store to some extent, explains the grounds for their optimism and the basic reasons for continued prosperity by the following statement:

The company is making no attempt to show profit and has instructed those in charge to merely make expenses. This makes it possible to follow the plan of giving a first-class grade of goods and still offer them at low prices.

Some of the employees have taken advantage of the opportunity the company has offered them to buy their supplies at practically wholesale prices. This can only be done when purchases are made in wholesale quantities, so these employees have joined together, listed their needs and have asked the manager to purchase the goods they wanted. In this way it has made it possible for the manager to buy supplies for them in wholesale quantities, turn them over quickly and place the goods in the hands of the employees at a very reasonable price, saving the employees anywhere from 15 to 20%.

Of course many plans not operating to the satisfaction of projectors are still in force largely because financial success was but a possible, not necessarily indispensable factor. Take for example, the experience of a Chicago company:

There has been some lack of interest among our employees due, largely, to the fact that there has been a material drop in the prices of most of the commodities we handle. . . . We have not discontinued our store and the necessity still obtains for most of the items which we handle are articles which the em-

ployes require in their work, such as knives, special shoes, etc.

Briefly, our experience has been very satisfactory and the store plan which we have adopted was largely the outcome of necessity. It has been expedient that we confine the items we handle to special articles which are necessary to our employes in their work. We are endeavoring to avoid any criticism on the part of the retailers.

Another company whose store is left entirely to the management of its employes while expressing discouragement is not yet minded to discontent.

We have not discontinued our store or our co-operative buying, and while not an interesting proposition at this time, we are still maintaining it. Our experience has been that on a rising market, the co-operative store is able to maintain low prices and other attractive savings. A co-operative store operated on an unprofitable basis, of course can undersell to a great extent on such articles as those which prove to be profitable to the ordinary private owned store, on articles of general commerce such as salt, sugar, tea, coffee and cereals, etc., there is hardly any saving to be made.

One experience that has suddenly come forth is that it is well enough to operate a store without profit as long as prices remain normal or prices go up, but when prices decline, there is nothing left to cover the loss, and the store is apt to come to financial ruin and to a sudden end.

Our store was particularly fortunate, in that through cash advances made by the company, the store was able to purchase a considerable stock of goods from a bankrupt house, things that were far less than today's wholesale market prices, and by mixing the bankrupt stock with the old stock, we were able to re-mark prices at such a point that they again became attractive, without bringing serious loss to the finances of the store itself.

A remarkable interest in the affairs of the store and in the purchase of goods from the store was not shown by the majority of employes, but a small percentage took advantage of the benefits of the store, while others preferred to buy near their homes and in their own trading places.

We have tried real stores in three of our mills, and branches supplying materials ordered in various other places, but we must confess, that support in all cases has been far below expectations.

#### **Decline and Its Causes**

As has already been observed the preponderance of evidence

is in favor of a general decline in the prosperity and popularity of co-operative sales plans. One company which has discontinued its store has voiced its reasons for doing so in these terms:

In common with most others, we have found a very decided lack of interest in our Co-operative Store. After prices started to decline it was impossible for us to compete with the chain stores. We would not sell the cheaper grade of goods handled by them, and because our prices were not as low as the prices of inferior materials at the chain stores, the patronage dropped off very much. We, therefore, decided to close the store and have done so, selling out the entire stock that we had on hand. We gave our employes the opportunity of buying at less than actual cost price and the materials not purchased by them were sold through a broker to one of the chain stores.

We found that one of the most serious objections to the Co-operative Store was the fact that we could not arrange for delivering the goods. As our people are scattered all over the city, it would have been too expensive to deliver. The men objected to carrying bundles since the trolley cars are always overcrowded at home going time. We cannot blame the men for taking exception to this, and, under the circumstances, thought it was best to discontinue the store. We still handle coal under our co-operative plan, which saves employes 40c a ton on every ton of coal purchased.

Another company has expressed itself through an executive as follows:

Since the time has partly passed for the profiteer, I do not think the co-operative store has much of a chance with the chain stores unless it is the only store in the community. Our men lived quite some distance from the plant and would not carry, if for a small saving. I think only 25% used the store towards the last, and they had cars, or lived in town. Unless you can put the store on the corner and get all of the benefit of large sales, it is very hard to compete with the volume of buying of the large chain stores. It is also pretty hard to keep the variety needed and not tie up too much capital. If you give a better grade of goods at the same price the average run of employes are not interested. We did deliver for a while, but it was not a paying proposition and is not a good thing to start.

The experience of a third company is likewise illuminating:

Following a canvass of all stockholders in the form of a questionnaire asking for individual opinion in regard to the liquidation or the continuance of the Co-operative Store Association,

the board of directors voted in favor of immediate liquidation at a meeting held Friday, February 11th.

Out of 876 members of the Association, 601 questionnaires were returned divided in opinion as follows: 234 voted to liquidate; 276 voted to continue, but their total pledge insured a weekly business of only \$636.75; 91 more voted to continue without offering any pledge.

As a weekly business of \$8,180 is necessary to make the continuance of the store worth while, the directors' vote to liquidate is apparently a wise one. The \$636.75 would hardly be increased materially by the 91 who didn't pledge, the 234 who desired liquidation, or the 275 others who act indifferently concerning the matter. It is simply a case of a Co-operative Store with a very good store, but with no co-operation.

A settlement with the stockholders will necessarily be delayed until all of the legalities connected with the liquidation of a corporation have been enacted. The store will sell out to customers at prices far below the actual purchase price. This must be done quickly so as to save expense.

Or take this from a Rochester company:

A plan of this kind is of a certain value, we believe, during a period of rising prices, and under such circumstances it has been possible to effect a material saving for our employes. Under existing conditions, however, we do not feel that there is sufficient justification for any extensive work along these lines.

It has been our experience that when prices are falling, with the possibility of a material change between the time of taking orders and the delivery of goods, that only a very small percentage of employes will make any purchases. People will not buy articles through a co-operative committee which they can secure at an equivalent or lower price outside. Because of this fact, a loss must be expected on some articles which must be made up on others, unless a continued deficit is to exist. At the present time, furthermore, the chain stores with their purchasing power and experience along these lines are able to offer goods at prices which a co-operative committee cannot meet.

In view of these considerations, especially the fact that comparatively little interest is being manifested at the present time, we do not feel that a scheme of the kind justifies the expense and the time required for its operation. The matter may be taken up again at some future date, but we do not consider it advisable under existing circumstances.

A company reporting that since January 1st of this year



there has been a decrease in average monthly sales of approximately 53% as compared with sales during months prior to January, 1921, attributes the decrease to the following factors:

(a) Reaction after the excessive holiday purchases.

(b) General decline in prices creating a doubt in purchaser's mind of wisdom of buying until prices have reached the lowest level.

(c) Owing to unsettled prices, limited purchases sufficient for immediate needs were made with a view to securing lowest prices for members.

(d) Due to restricted buying no effort made to circularize members.

The company further reports:

The decision of our Employees' Committee to discontinue Co-operative Stores was made partly as a result of falling prices although the store operated in New York by our employees was operated on a self-supporting basis and had accumulated a comfortable sinking fund.

The deciding factor which influenced the closing of our Co-operative Stores was based on the fact that on the return of prices to normalcy we as a Public Utility Corporation would not be justified in continuing an enterprise which might be interpreted as being in competition with our subscribers.

### **Summary**

The writers already quoted have, each in his own way, stated his convictions as to the cause of the failure of co-operative plans to function very successfully under present conditions. But undoubtedly, the prime cause of the decline in interest and consequently in sales of the co-operative store in particular is the absence of any very urgent demand for it, except under circumstances that would make any similar undertaking run smoothly. The promise of more normal prices has uncovered the almost insuperable obstacle offered by the chain stores with their expert and experienced management, variety of goods, prices with which a less extended organization cannot hope to compete, and a type of service which appeals with especial force to the convenience-loving American workman. Other basic causes of failure have been outlined by an official of a New Jersey company which has continued to maintain its Co-operative Store.

The writer personally has been interested and is well acquainted with the co-operative stores as they are operated in Switzerland, for example, where the co-operative store has

practically eliminated the grocery store, but finds, after many attempts, that such a movement is not popular in this country. A co-operative store to run along most economical lines must limit itself to quick selling and moving articles of sale. It must sell for cash, and preferably without delivery. People prefer to deal in a large store containing all imaginable articles of supply, and prefer to pay the premium to deal in such a store, rather than to deal in a store with but limited facilities. As soon as a co-operative store enters into too expensive a stock of merchandise, it is bound to raise its prices or lose money, and in either case becomes useless.

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#### **Former Women Employes of Westinghouse Air Brake Co. Hold Reunion**

In December last a former employe of the Westinghouse Air Brake Co., now married and devoting her energies to her home, called a conference of other girls formerly employed by the company for the purpose of a reunion. As a result of the call there has developed a new movement which may become general. The reunion resulted in an organization with a purpose and with officers. Seventy-five former girl employes of the company constitute the original membership.

Reunions are not a novelty, but reunions of this kind, composed of former women employes of an industrial organization, have not previously been known. The movement indicates the high character of the company with which the members of the organization were once associated.

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#### **Recognizing the Educational Value of Psychology**

The value of a knowledge of psychology is rapidly gaining recognition. Union College, located at Schenectady, N. Y., cooperates closely with the General Electric Company in the company's educational program on behalf of its employes.

A series of lectures on "The Psychology of Social Unrest" is being given at Union College by Franklin H. Giddings, head of the department of Sociology and the History of Civilization, Columbia University. The lectures which are on the Ichabod Spencer Foundation are as follows:

*A Crisis in Human Conduct; The Psychology of Behavior; Provocative Situations; Revolutionary Reactions; What Has Happened to Our Habits; What Is Happening in Our Thinking; Programs of Perversity; The Possibility of Public Sanity.*

## ACTIVITIES OF THE LOCAL CHAPTERS

Mr. Singer, Superintendent of Methods, Bell Telephone Co. of Pennsylvania, Presented an Excellent Paper on "Employment Tests" Before the Pittsburgh Chapter—New York Chapter Has a Conference on House Organs, and Also Spends a Day Inspecting the Plant of the New York Telephone Co. and Listening to Addresses by Officials—Mr. Harrison Ryon Discusses Duties of a Personnel Department Before the Chicago Chapter—Dr. R. W. Chaffee, Surgeon in Charge of the Solvay Process Co., and Director of the New York State Association of Industrial Doctors, Spoke on "Health of the Worker" Before the Western New York Chapter.

### Pittsburgh Chapter

Before the Industrial and Public School Relations Section of the Pittsburgh Chapter, Mr. Singer, Superintendent of Methods for the Bell Telephone Co. of Pennsylvania, spoke on the subject "The Value of Tests in Selecting People for Jobs." In the beginning, he said questions were tried out on employes with the idea of eliminating guess questions, making sure that the question had one clear meaning, and that the questions covered the scope or range of men of all types, from the 18 year old boy with 8th grade education to the graduate engineer. After the preliminary trials the range of grades was found to run from 0 to 98%. Further study showed that there were clearly defined occupational levels, as follows:—

Engineers, special inspectors.....	80—100
Assistant engineers.....	75— 90
Wire Chiefs.....	70— 75
C. O. Men.....	60— 70
Repairmen.....	56— 60
Cable Men.....	45— 50
Installers.....	30— 40
Linemen.....	0— 30

The test was then tried on 20 men hired by application and interview, whose scores ranged from 20 to 88%. Eleven scored above 60% and nine below this percentage. After 12 months it was found that of the men scoring above 60%, one was bad, one fair, and nine good. Of the nine men scoring below 60%, three could not get through school, three dropped out, two resigned and one made good.

This test has since been given to 527 men, and the following

table gives the relation of test grade to years in school:—

	High	Low	Average
Common School .....	82	0	29
1 Year High School .....	87	4	42
2 Years " " .....	92	6	49
3 " " " .....	95	6	51
4 " " " .....	95	26	60
1 Year College .....	94	38	65
2 Years " .....	94	28	70
3 Years " .....	92*	53	73
4 Years " .....	98	71	85

(\*)—Only five men in this group.

We also give a Clerical Test and a general intelligence test to those looking for clerical and other office jobs.

From the experience gained in these tests, we have worked out the following "Employment Notes":—

1. Use the application blank and interview, plus the test.
2. Do not place high score men in work usually done by low score men. If you do they will resign. This may be done intentionally for training purposes with good results.
3. Do not place low score men in high score jobs—some will leave within 6 months while others will learn the work at one-half to one-fourth speed.
4. The natural inclination of the beginner is to give preference to high score men—but remember this—the test is in no wise a guarantee of physical activity, or of moral fiber.
5. The employer must have a standardized set up of the qualifications required for each job and by means of the interview and with the test scores laid out in front of him, he can reach an accurate decision based on fact and experience. Even then he may fail unless he is an unfailing judge of character.

From this experience we have gained the following impressions:

Vocational tests for boys of 15, 16 and 17 years may be very misleading. Tests for boys of 16 years would certainly need to be of a different nature than for young men of 22 years.

The kind of test we have been aiming at is one independent of Public School influence and home environment, i. e., a test that sounds the boys' independent inclination. The valuable thing is to find out what he has done for himself since leaving school.

#### **Vocational Tests, Properly Built, Prove Successful**

If he fails to score what we think he should on the plant

test, we try him on the clerical test, and then the general intelligence test. These three tests sound him from almost every angle.

A vocational test, properly built, will pick from a thousand men those who have been looking longingly toward entering a certain occupation.

In applying for a job, the man out of work wants first to know—"what have you open?" then he unconsciously tries to make you believe that this is the very thing for which he has been looking all these years. In his enthusiasm he deceives himself, and if he deceives you—you are both "out of luck." Here the test proves its value—it protects both the applicant and the employer.

Mr. J. J. Weaver of the vocational training department of the University of Pittsburgh was next called upon to tell some of his experiences with tests in industry. He said: "When I first heard about tests as an employment manager, I felt rather skeptical as to their possibilities in industry. Possibly there was a little bit of antagonism in my mind and as I went around, I had occasion to come in contact with a great many soldiers and asked them what they thought about tests. Of course I received many and varied answers. I determined to investigate and find out just how valuable tests would be. I took a week in a certain large city and tried to determine this point. I went to Employment Offices applying for various jobs in order to ascertain just what kind of questions they ask you. Some places I was hired and others I was not. At one place only they gave me a psychological test. They had only one job open; I scored a very little over the grade for this job, and so did not get it.

"I went back home with a little more definite idea and a clearer conception of what they are doing and what kind of questions they asked. After that trip I was pretty thoroughly convinced that that sort of thing was going to be valuable."

Mr. Weaver read a very interesting paper to prove his point, and very kindly offered to answer any questions pertaining to his experience with tests.

Major Yoakum then called upon Mr. J. Freeman Guy of the department of tests and measurements of the city schools to give a talk on "The Work of the Public Schools in Testing Pupils."

While it is usual for business men to request eighth grade graduates to fill certain positions, this is not a definite term at all. In quality of writing, the business man making such an applica-



tion has one chance in six of getting a boy who writes no better than the average fourth grade youngster, and one chance in two that he will get a boy surpassed by half the seventh graders. In rate of writing, the chances are just even that he will draw a boy who is equalled or excelled by a fourth grader. In arithmetical processes, his chances are just about one to four of drawing a boy who is equalled or surpassed by 50% of the sixth graders, and chances are just even to draw a boy surpassed by 70% of the seventh grade pupils. A general intelligence test was given to all 8-A pupils in June, 1920, and the mental ages ranged from eight years 1 month, to eighteen years; and the I. Q. (Intelligence Quotient) ranged from 52 to 145. Fifty-two is a moron very close to the imbecile, while 145 is in the realm of near genius. Pupils with an I. Q. below 90 have hard sledding in the academic school, yet 22% of the eighth grade pupils are in this class. On the other hand, 17% of the pupils have an I. Q. of 130 or over. The average I. Q. of those going to work is 92, while for those going to high school it is 108.

Eighth grade graduation really means nothing to an employer, but we can furnish intelligible information as follows:—

"This boy writes a quality 60 on the Ayres Scale and at the rate of 85 letters per minute, which is 6 above the average for the 8th grade. In arithmetic he stands thirteenth from the top in a class of 100. He reads at the rate of 145 words a minute (the normal for the grade being 108) and ranks 42 in comprehension, the normal being 27.5. His total intelligence score is 163 as compared to a normal of 114." We can give the mental age and I. Q. (Intelligence Quotient or ratio of mental age to chronological age). We can also give the teachers' estimates of punctuality and personal traits. We also give trade tests in typewriting and stenography. In this way we are trying to build up pertinent information for our Placement Bureau, which will be intelligible to an employer of our school product."

In the discussion, Mr. Goldberger, superintendent of the North Continuation School, said that he was making some investigations of the mental ability of his students. While he has not gone far enough yet to get much information, the results have proven quite surprising. His investigations so far have shown that not all who had the highest mentality went to high school.

Major Yoakum stated that the 5,000 high school seniors in a certain city were divided into two groups, those going to college and those not going. The mentality of the two groups was practically identical.

Mr. Guy stated that the Vocational Council was doing good work in advising students what courses they ought to take, and had requested him to get through with the tests early so that the information contained in them might be used in advising the students. This in the future will prevent the young man from floundering around for four or five years before he settles down to what he really wants to make his life work.

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### **New York Chapter**

On March 2, a round table discussion on House Organs was held in the Directors' Room of H. L. Doherty & Company. Twenty members were present, representing many of the industries in and around New York.

The discussion was led by Mr. Edward A. Hunger who produced copies of several house organs showing the many different styles being used. It was brought out clearly in the discussion that purely personal social items are out of place in the up-to-date house organs. Personal reference to an employee who has performed some unusual service or whose work stands out prominently is being featured in most of the house organs. It was pointed out that many concerns use the newspaper type, rather than the magazine type of house organ, claiming that it is not only less expensive, but seems more attractive to the employees.

On March 16 the New York Chapter made an inspection of the plant of the New York Telephone Co. Nearly one hundred members and delegates from business organizations not having membership, assembled at 9.30 a. m., where transportation was furnished by the Telephone Company, and the party visited the principal exchanges in the lower part of the city. At the different places visited, executives of the company addressed the delegates, explaining in detail the various problems connected with personnel administration. Luncheon was served by the company, and the inspection continued until the delegates were assembled in round table conference, where the things seen and the problems presented were thoroughly discussed.

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### **Southern New England Chapter**

The Southern New England Chapter decided to postpone its March meeting until the latter part of the month when a dinner will be given and President Park and the Managing Director are expected to be present and address the delegates.

**Chicago Chapter**

The regular meeting of the National Association of Corporation Training was held February 21, at the Union League Club at 6 p. m.

The meeting was called to order by the vice president, Mr. E. E. Sheldon, who introduced Mr. D. J. O'Conner of the La Salle Extension University who had planned the meeting. The topic for discussion was "The Personnel Department in Industry."

Mr. Harrison Ryon of Wilson Bros., clothing manufacturers, spoke of the duties of a personnel department. It was a good game during the period of rising prices but now when prices are falling industry demands to know if it pays. The personnel manager has to be a manager, a lawyer and often a judge. He is just now called upon to face the wage situation. Wages never reached the cost of living. They should go down only in proportion to the drop in living costs. There are two principles to follow in cutting wages. If your firm lagged in raising wages—to go slow in cutting. The darkest period for the worker is the psychological time for a cut. Other cuts should be as carefully made as wage cuts. Cuts in the working force should be fair. Make the cut deliberately with the help of rating scales and records. Convince the worker's reason that his dismissal is warranted. Sell him his dismissal.

The personnel manager must know the community labor conditions without using the espionage system. He serves as a balance wheel on management because he is a mediator representing both sides, the worker and the management.

Mr. Hugo Diemer of the La Salle Extension University said in discussion: "The question today is 'To be or not to be' as is attested by Roger Babson's recent advice to refrain from abolishing well built up organizations. There is a tendency now to do away with the extra costs and personnel is one of the first departments lopped off.

Taylor years ago made a prediction of job analysis, personnel management, etc., when he named these principles:

1. Find the science of the particular industry.
2. Study the men engaged in the industry.
3. Fit men to the jobs and the jobs to the men.
4. Bring the science of the industry to the men.

These are as valid today as when he laid them down. The first efficiency step came in costs. Then came organization followed by a stress on engineering. From that grew planning and

scheduling and now finally we have personnel. We Americans are faddists. All of these intensive drives yielded profit.

Personnel work reflects the background, experience and education of the manager. Some industries chose teachers, others preachers, still others engineers, paymasters and so on. All reflect the bent and interest of the man in charge. A usual organization is as follows:

Superintendents of manufacturing, office, production, personnel.

Personnel Department: Employment division, (a) interviewing, (b) tests, (c) records.

Training division, (a) on job, (b) in vestibule school, (c) apprentice school.

Service division, (a) medical, (b) safety, (c) recreation, (d) athletics, (e) social.

The personnel superintendent has an empty title unless he has authority. He should rank as a vice president by reason of associations and qualifications. He cannot expect the rank because of his position.

Now personnel men must build up a nucleus of contented men in the face of cuts in wages greater than the fall in prices. Contracting work is booming and a change in labor conditions is due Sept. 1." Mr. Diemer then read from his unpublished report as chairman of the committee on labor turnover.

A discussion followed. Mr. Ryon, by request, explained the rating scales he uses. Mr. Ellerd, of Swift and Co., stated that the industrial manager who is sane and conservative will stick. After a short discussion of labor turnover the meeting was adjourned.

#### **Western New York Chapter**

The regular monthly meeting of the Western New York Chapter of the National Association of Corporation Training, was held at the Hotel Iroquois, Buffalo, 6.30 p. m., March 10th, sixty-five people and members in attendance.

After a membership announcement by Mr. R. J. Tresidder, Larkin Co. Inc., Chairman of the Membership Committee in regard to efforts for the increase of membership in the Chapter, Chairman E. R. Cole introduced Dr. R. W. Chaffee, Surgeon in Charge, Solvay Process Co., Syracuse, N. Y., and Director of the New York State Association of Industrial Doctors. Dr. Chaffee's address on the "Health of the Worker," was very interesting, and outlined at considerable length the effort which is being made

by large industries to care for the health of the worker. Several plant physicians from Buffalo industries were present, and remarks were made by Dr. H. P. Hourigan, Larkin Co. Inc., Dr. Mohlau, National Aniline and Chemical Co., Dr. I. J. Koenig, Buffalo General Hospital, and Dr. Cameron, Buffalo Lamp Co.

Mr. Regan of the part time schools of Buffalo introduced a discussion on the subject of the bill which is now pending in the State Legislature, and which would repeal the part time school law, doing away with the part time schools. After considerable discussion, E. R. Bowman of the Acheson-Graphite Co. moved that the Western New York Chapter recommend to the House and Senate of the State Legislature that all honorable means be used to defeat this bill, and save the part time schools. Motion was seconded by Miss Eugenia Le Roux, United States Light and Heat Co., and the motion was unanimously carried.

The round table discussion on Health and Recreation conducted by W. E. Hosler, Spirella Co., and that on Employment and Placement conducted by G. C. Boulton, Larkin Co. Inc., were both well attended, and the discussions were profitable and interesting.

In attendance at this meeting there were forty-three from Buffalo, eighteen from Niagara Falls, two from Niagara Falls, Ont., two, including the speaker, from Syracuse, N. Y. Represented at this meeting were twenty-five industries three Public Schools, one Private School, one member of the Y. M. C. A., one church, and about six doctors from Buffalo.

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### NEW BOOKS THAT MAY INTEREST OUR READERS

*The Gateway to English.*—A textbook in Americanism by I. D. Cohen, published by Rand, McNally & Company, Chicago, and New York, price \$1.35.

The uses of the book may be summed up as follows:

1. A reader in English for foreigners—beginners, intermediate and advanced pupils.
2. A textbook in patriotism, American history, customs, language and ideals, for children and adults who come from foreign lands.
3. A first book in education of the illiterate.
4. An aid in dealing with the Americanization problem.
5. A manual of methods for the teaching of English to foreigners.

A useful book to have in business libraries.



## **TAKING THE EMPLOYE INTO THE COMPANY'S CONFIDENCE**

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**Chairman Webb of the Eastern Manufacturing Company, in a Full and Frank Statement of the Company's Business, Took the Employees Into the Officials' Confidence, With the Result That a Reduction in Wages Was Accepted and the Company's Business Continued, Giving Employment to the Largest Possible Number.**

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House organs or company publications received by the BULLETIN indicate an increasing tendency on the part of officials of industrial and commercial organizations to take their employees into their confidence.

Mr. Stuart W. Webb, Chairman of the Board of Directors of the Eastern Manufacturing Company, manufacturers of high grade papers, in a recent issue of one of the company's publications carefully sets forth the business situation and its effect upon the company's business and revenues. Mr. Webb first gives the total amount of business done by the company during the past year, the amount of profit and the amount distributed to stockholders and the amount paid to employees. He goes carefully into the income and the outgo of the company, giving in detail the amount of current assets at the close of the year, the number of orders on the company's books, the amount of cash in banks, and the probable expense for a few weeks in advance. Mr. Webb also reviews falling prices and concludes:

"As a result of our own and the general business condition, the officers and directors have been compelled to face the facts. Various policies have been considered, which finally came down to a choice between the following:

"1—A Shut Down. In this case could we afford to pay the usual 'half time'? Conditions are so uncertain that we did not feel warranted in holding out any hope that we could pay any 'half time' with the mills down flat, particularly where other mills with which we must compete are not, and have not been, to our knowledge, under this expense.

"2—A Reduction in Wages and an Attempt at Continuing Operations. If our employees were willing to take at this time a reduction in wages, which would ultimately come in any event in line with other industries, we figured that it might be possible to keep the mills in operation for some little time—producing principally stock—and to keep on paying 'half time' for the

present at least. We also felt that a shut-down, if it becomes necessary, would be less of a hardship on the employees later in the season than it would be now.

Therefore, we decided to put the proposition up to the employees, and to ask them to take a chance with us during this uncertain period in the hope that it will not be necessary to shut down or, if it is necessary, that we can pay 'half time', which we shall do if we can. This decision was made in spite of the fact that it is more economical to manufacture in the summer than in the winter.

"During this trying period, we hope that all will feel certain that it is the policy of the company to furnish the best working conditions at the fullest time and at the highest wages that our own situation and that of the Industry in general will stand."

BULLETIN readers will be interested to know that the employees met Mr. Webb in the same spirit of fairness that he had shown. The reduction in wages was accepted, and the company's business proceeded, giving employment to the largest possible number.

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#### **Cooperation is the New Slogan at the Lynn Plant of the General Electric Co.**

The Lynn plant of the General Electric Co. is operated under the "Employee Representation in Management" plan. At the first meeting of the representatives and committeemen, after the company announced a reduction in wages in order to secure new business, the watchword of the meeting was "cooperation."

In speaking of the new slogan, Mr. William Gilchrist of the committee representing employees, said:

"In order to get true cooperation, we must try to bring about certain conditions. One of the main factors in industry is the unrest that is prevalent at all times and the elements of discord constantly coming up between two of our groups. Now, there is one safety valve that we can always depend on in a controversy. Instead of two groups we have three groups. Two of those groups contend for something they both consider they have an equal right to, and they totally disregard the rights of the third group; and it is because of that third group which has had its rights disregarded that it becomes the safety valve and keeps the other two groups somewhere within reason.

"In other words, everything is relative and everything is determined by the laws of cause and effect. If we have power today and abuse that power, thereby endangering the safety of

the third group that is dependent upon these other two groups, then the power that is entrusted in the one group is going to be taken away from them because they have shown that they are not worthy through lack of a sense of justice to handle power, and the other group that has been underneath is going to be given the power.

"Unhappily, there has not been much difference between those two groups. They have used force when it has been their turn to be on top. Force seems to have been a dominant factor at all periods of human history. It seems to me now that we are entering one of those changes in the progress of the human race which historians designate as epochs.

"There is a positive opportunity for the dominating group at this time to do away with force and to appeal to reason, and there is no reason why it can't be done, because the average intelligence has grown and spread throughout the land to the extent, at least, that they are amenable to reason.

"It seems to me that the time has arrived when people who desire the well-being of the human race, who want to see harmony in all phases of life, should each be studying how he as an individual can add to that permanency of cooperation. There is no question in my mind that it is in every individual's power to add somewhat to that general effort, and by the united efforts of the individuals we can have a grand effort which I have not the slightest doubt will show effect in a very few years."

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### NEWSY NOTES

A recent report made by a Congressional committee conveys the information that the United States has dropped from first to ninth rank in educational standing among the countries of the world.

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One hundred and sixteen members of the senior class of the Armour Institute of Technology recently visited the Chicago plant of Armour & Co., and made a careful study of the company's method of operation. The class is composed of students of civil, mechanical, and electrical engineering. These students will enter the employ of Armour & Co., upon graduation.

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Forty per cent. of the employees of the Commonwealth Edison Co. of Chicago are now stockholders in the company.

## **MODERN MANAGEMENT IN THE BULLARD MACHINE TOOL COMPANY**

**In a Recent Issue of the Industrial Management Magazine, Mr. S. H. Bullard, Vice-President, Gave a Most Interesting Account of How His Company Secures Production and Retains Its Employees—Extracts of the Article Are Here Given in the Belief That Bulletin Readers Will Profit from the Information.**

"For successful manufacture an effective, comprehensive organization is indispensable. This is an axiom. Many manufacturers have, however, developed plans and organized around them, and, in a general way, attained comparatively large success in getting out the product as scheduled; but, through a blind worship of plan alone, may have missed the larger measure of success which would have been theirs if the plan itself had been developed around the personnel available within the organization as it exists. Analyzing, planning and developing along the 'human' lines presents wonderful possibilities.

"The close relation of Organization Plans, and Organization Policies has long been recognized in our work at Bridgeport, and the value of this idea, and our method of developing it, was well illustrated during the war period when the city of Bridgeport, under skilful, radical leadership, and the psychological influence of the War Labor Board, became a seething cauldron of unrest which culminated in a general strike of protest on the part of all mechanical trades, in which only nine (9) of our organization, out of approximately twenty-five hundred, took part.

"The purpose of an Organization Plan is to produce, but even the best of plans will fail if the organization policies are not in accordance with the right ideals, for no Organization Plan can be made effective unless it is surrounded and worked by men who, through belief in organization, have been welded into a truly cooperative, mutually respecting body.

"The type of organization shown in the chart presented herewith is based upon a careful analysis of the functions of the various departments which must necessarily enter into the control of our manufacture. The inter-relations of departments were also given serious consideration, and in arriving at the final layout, as indicated in the written analysis, the character, capabilities and standing of all available candidates for appointments as department heads and assistants were given the thorough study warranted by the importance of the decision to be reached. With

few exceptions, the department heads of this company, and their assistants, have been trained in our own shops, having gone through the various steps of apprenticeship, journeyman, foreman, etc. Those who have not had their preliminary training with us were chosen on account of their superior knowledge and skill, and their adaptability to our methods and aims, though in no instance has an important position been filled until the candidate, through a reasonable period of association with us, has demonstrated to our satisfaction that he was thoroughly in accord with our policies. Our executives, therefore, know the plant, know what is expected of each department, and understand every step, every task and every incident likely to happen in the regular course of the work, and in addition are known to be thorough-going "Bullard" men.

"Believing that a thorough discussion by all parties in interest of the various phases of our manufacturing activities would result in a clearer understanding of the necessities of each department, as well as the requirements of the plant as a whole, we have centred the functioning of our Organization Plan in the PLANT EXECUTIVE COUNCIL. By this system every department of the establishment is represented in the Council by its department head, who becomes, thereby, familiar with the progress and needs of every other department whether these bear directly upon his own sphere of influence or not."

Mr. Bullard then gives a chart, which graphically portrays not only the definite responsibilities resting upon each department, but also by "tie-lines" the direct relation of each phase of departmental activity with the activities and responsibilities of other departments. He also sets forth the Organization of the Plant Executive Council and the subdivision of the council. Space does not permit of our reproducing all of the article, which may be had by securing a copy of the December 1st issue of the *Industrial Management Magazine*.

Mr. Bullard also sets forth the Principles of the Organization, and how wage rates are established, and the relation of wage rates to skill, energy and knowledge.

#### **Principles of the Organization**

"An analysis of the situation confronting the country in 1915 led us to the conclusion that an organization could be built up and maintained only on the foundation of such principles as would permit satisfactory relations between employer and employe, and which would insure stability of labor and true efficiency of production. The principles evolved are:



"First. That respect and confidence between employer and employe shall be established and maintained.

"Second. That a proper and equitable incentive must be provided for both.

"Third. That there must be established a measure for determining a rate of wage.

"Fourth. That the rate of wage must be definitely related to the energy, skill, experience and knowledge required to perform the work.

"We, like many successful manufacturers of long standing, had, without doubt, for many years operated on the basis of the four principles enunciated above, but until the stressful period which shortly followed the outbreak of war in Europe, we, in common with the rest, had not felt the need of clear statement of the policies which we had long followed.

"Publication of these policies, together with a clear statement of the various plans and lines of activity through which the policies were made effective, had a very marked influence in clarifying the situation and in up-building an organization spirit which was remarkable for its effect upon production and the quality of work.

"While these fundamentals were fully understood and appreciated by the older members of our organization, the influx of new men, incident to the rapid growth of our plant, called for special effort on the part of the executives and their representatives to whom authority had been delegated; and to attain the end of complete understanding and harmony, particular attention was given to the development of a proper spirit and understanding in that frequently neglected element of plant organization, the department foreman.

"That we have been notably successful in our efforts is evidenced by the unusual spirit shown by everyone in this establishment. This has frequently been the subject of remark by visitors, and numerous instances could be related of the display of this organization spirit when circumstances were most trying. The managers, their representatives and the employes have established relationships whereby mutual respect and confidence prevail.

#### **Determining Wage Rates by Established Measure**

"The rate of wage is dependent upon individual productive capacity, the cost of living, and the question of supply and demand—individual productive capacity bearing a paramount rela-

tion to the other factors as it directly affects the cost of manufacture and therefore the salability of the product in question.

"Statistics bearing on the cost of living are nationally available. Data regarding supply and demand is a matter of plant record, as is information regarding the cost of the various classifications of labor applied to production, and, in turn, the direct relation of labor cost to the sales price of the finished product.

"To arrive at an intelligent conclusion by combining the factors evolved by the above analysis requires experience, judgment, and, above all, an equitable mind. It is highly essential, however, that the hourly rate established shall be such as will produce in the worker a contented state of mind.

"The incentives to employes are in the form of a bonus payment based on the proportion of actual time to standard time on all jobs where such times can be considered. This is, of course, in addition to standard rates per hour for various grades of work.

### **The Relation of Wage Rates to Skill, Energy and Knowledge**

"Individual judgment is not infallible, and, as in the nature of things, earning capacity bears a direct relation to productive capacity, means are provided for recording the individual's capacity for production and comparing, by periods, the improvement or decrease therein.

"The Bullard Maxi-Pay Wage Plan is based on a classification of the various degrees of energy, skill, experience and knowledge, and in combination with the records of the Maxi-Pay Bonus Plan provides a means for determining the status of each member of the organization.

"Every department is complete in itself, held strictly responsible for all matters over which jurisdiction has been assigned to it. Thus the production manager has full authority over everything indicated on the chart within the limits of his functions and is held strictly responsible for definite results. With the aid of a most complete routing system, he follows with certainty every piece or lot of material from the moment of its receipt, through the stores to the various machines and operations to which it may be assigned, up to the moment of delivery of a finished machine tool. The number of pieces of finished parts for any job is always shown on the charts or forms in this office so that the chief or one of his assistants can give information bearing upon this with the least possible delay to any other executive of the plant who desires it.

"This organization plan avoids conflicts of authority, makes it unmistakably clear to every executive what he must do and how he must carry out his part of production in relation to the other executives. It is a real cooperative organization, and the proof of this statement is embodied in the facts that it produces, that it is financially successful, and that it holds its employees.

"It has required only a short time to build up a force of skilled mechanics loyal to the company, and cooperating so far as is necessary or advisable with the management with the aim in view of increasing production, reducing costs and increasing the worker's pay. Labor troubles have been comparatively few. The men in the shops have an opportunity to express themselves individually either adversely or otherwise on the policies of the company, because the executives have always shown their willingness to listen to any reasonable complaints or suggestions on the part of the employees. There seems to be no particular need of shop committees. There are such bodies in the works, but they do not function as "Grievance Committees," as it is a point of the management to eliminate the possibility of the development of anything to the point where it can be classed as a 'Grievance.'

"In any comment, therefore, on the Bullard organization, it must be realized what an important part of the plan is embodied in that which does not appear on the organization chart, but which manifests itself in the recognition by the management that the men working for them are always worthy of the fullest consideration, and by the willingness of the men to do an honest day's work for those who treat them right."

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#### **Activities of the Medical Rest Room of the Metropolitan Life Insurance Company**

Some idea of the importance of a Medical Rest Room in relation to the operation of a large commercial business, may be had from the following report of the Rest Room of the Home Office of the Metropolitan Life Insurance Company, for the year 1920:

The report shows that the total number of visits made by members of the Home Office staff was 47,230, and the number of different patients was 8,275. Thirty-four thousand nine hundred and fifty-five visits were made by women and 12,275 by men. The daily average was 171. Five were sent to hospitals, 666 were sent to clinics and to their own physicians for further examination and treatment, 2,950 were examined in the eye and

ear clinic, 2,704 were sent home and 143 were sent to the Sanatorium at Mt. McGregor. The total number of visits to the Medical Rest Room in 1919 was 35,671, so the increase for the year 1920 was 11,559, an average increase of 41 a day. The greatest daily average for any month in the year was in December when there were 206 cases every day, and the lowest average for any month was in April when there were 147 every day. There were 1,904 cases of headache, 725 cases of grippe, 295 of influenza, 294 of myalgia. There were 1,696 cases of tonsillitis, 1,731 cases of indigestion, 1,099 cases of slight injuries, 483 cases of bronchitis, 85 cases of toothache, and 58 cases of heat exhaustion.

The eye clinic in the Rest Room showed that there were 1,178 tests for eye glasses, 3,970 repairs and new glasses ordered, and 4,181 visits to an optician. The tuberculosis clinic in the Rest Room had 190 patents under observation during the year. One hundred and forty-three of these were sent to Mt. McGregor, and during the year 123 returned to work from Mt. McGregor. On January 1, 1921, there were 184 patients under observation in the tuberculosis clinic. The amount of milk used was enough to fill a swimming tank. The total for the year was 75,881 bottles, and the daily average number of patients who took milk was 290. This was an increase of 12 over the previous year.

The Vacation Association, which makes its deposits at the Rest Room, had on January 1, 1920, 1,825 depositors and during the year 376 new depositors joined and 308 accounts were closed so that on January 1, 1921, there were 1,884 depositors. The total deposits during 1920 amounted to \$39,279.

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### **Home Building Plan Launched by Western Electric**

Employees of the Western Electric Company at its big plant near Chicago have evolved their own scheme of solving the rent question. The Hawthorne Club, the plant employees' organization which has over 25,000 of the factory personnel on its membership lists, has developed two plans. One offers a means of lowering the costs per person desiring to build; the other is a financing system on the building and loan idea.

The State of Illinois has just granted a charter to the Hawthorne Club Savings, Building and Loan Association for a period of ninety-nine years.

The new association is issuing three classes of stock to its members. Its Class A stock, which has a maturity value of \$100 per share, is paid for at the rate of 25 cents a week per share. At

the average profit of a building loan organization, the A securities will be paid for in 328 weeks or a little more than six years. The subscribers who are anxious to build can obtain a loan representing the entire maturity value of the stock to which they have subscribed, immediately after their application for the stock is accepted. It has been figured that they will pay only a trifle over 3 per cent a year on their debt instead of the legal 6 per cent. They will save all the mortgage renewal fees, and many of the legal fees that weigh down the average homebuilder. They are saved from the danger of falling into the hands of financial sharpers.

The Class B stock is similar to Class A except that it is paid at the rate of 12½ cents a week. It matures in about eleven and a half years.

The Class C stock is issued on payment of \$75 per share. It participates in the association's profits. As soon as the profits reach \$25 a share the stock can be cashed at its maturity value of \$100.00.

The Hawthorne association operates under a serial plan. Members are admitted only on the first Thursday in March, June, September or December.

A board of employe directors passes on all loans before they are granted. There are nine members. The average term of service with the Western Electric Company of the men on this board exceeds 18½ years. Some of them are experts in appraising Chicago property.

Although just getting under way the Hawthorne Association has about all the business it can handle comfortably. Five hundred and thirty-four subscribers have taken a total of 6,812 shares in the two series, which have been issued. The Board of Directors is now acting upon applications for loans totaling approximately \$50,000.

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#### **The S. F. Bowser Company Maintains a Visiting Nurse Service**

During the year 1920, the visiting nurses of the S. F. Bowser Company made 4,610 calls. The staff is composed of the Misses Gress and Holman.

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#### **Americanization Work of the Schenectady Plant of the General Electric Company**

There are at present forty-nine classes in English, divided into those for beginners who have no knowledge of English; those for



others who speak, read and write a little English; and advanced classes in which elementary civics, history and geography are taught. The classes are held immediately after the working day, for an hour, twice a week on alternate days. The attendance is excellent. The teachers are volunteers from among the employees of the company and are unpaid. An important part of the Americanization work is, of course, in addition to the teaching of English, instruction in elementary civics and history preparatory to application for citizenship.

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### **A Happy Method of Keeping Up Attendance at Night School Classes**

In the night school classes conducted by the Shepard Electric Crane & Hoist Co., challenges are issued by one class to another for supremacy in attendance on the part of enrolled students, that is, one class will issue a challenge to another to secure a higher degree of attendance than the class issuing the challenge.

At the close of the contest, the two classes are to hold a supper together, one quarter of the cost of the supper to be paid by the winning class, and three quarters to be paid by the losing class.

The following rules govern the contest:

1. A student must be present in the class for at least 15 minutes to be marked present by the instructor.
  2. No student will be dropped from a class roll until he has been marked absent from five consecutive classes.
  3. The instructor in charge to be judge in any disputes which may arise.
  4. Attendance of the instructors of the classes not to be figured.
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### **NEWSY NOTES**

On March 1st the General Electric Co. distributed a total of \$1,153,046 in supplementary compensation to the employees of its various plants who had been with the company five years or more, prior to January 1st. This sum represents 5% of the company's earnings for the six month period, ending December 31, 1920. The total number of employees to participate in this award was 22,964.

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The United States Steel Corporation announces that more than 30% of the employees of the corporation and subsidiaries

are now stockholders, owning a total of 255,308 shares. On the date of the announcement 81,710 out of a total of approximately 270,000 employees have exercised their privilege of buying stock through the company. Employee subscriptions this year are the largest on record, the aggregate exceeding even the high mark established in 1919.

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According to the annual report of the American Telephone & Telegraph Co. there were 231,316 employees of the company and its subsidiaries at the close of last year. The number of stockholders as of the same date was 139,448—an increase of 18,988 during the year. About 23,000 of this number were stockholders in the company, and about 20,000 additional were paying for stock at the rate of a few dollars per month, making a total of about 43,000 employees who were stockholders, or about thirty per cent of the total number of stockholders.

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W. S. McArthur, formerly Employment Manager for Armour & Co., and this company's Class "A" representative in the Association, has been promoted to the position of Assistant Secretary of the company.

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The growth of industrial organizations in the United States furnishes food for interesting reflection. If all of the 55,433 employees of Armour & Co. and their families were gathered in one place they would make a city as large as Toledo, Ohio; and the amount of wages earned by these employees last year equaled nearly eighty million dollars.

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#### **Westinghouse Enrollment Now Largest in the History of Its Company School**

A company publication advises the BULLETIN that the Spring enrollment in the Westinghouse Electric and Manufacturing Company's Night School is the largest in the history of the company's training activities. The total enrollment is 774, being 14 per cent larger than the enrollment of a year ago.

A new department of the Night School has been formed with the opening of the new Spring term. This department will be known as the extension department, and offers courses of training in engineering subjects to young men in the various service stations of the Westinghouse company throughout the United States.

### **Progress Toward an Eight-Hour Day Basis for Employees of the United States Steel Corporation**

Judge Elbert H. Gary, Chairman of the Board of the United States Steel Corporation, said in a recent interview that the committee composed of presidents of subsidiary corporation recently appointed to consider the twelve-hour day question has not yet reached a decision which was wholly satisfactory, but that the final results of the investigation soon would be at hand. Judge Gary said, however, that the seven-day week and the long turn in changing shifts have been entirely eliminated by all of the corporation's subsidiary companies.

Mr. William B. Schiller, President of the National Tube Co., and Chairman of the Committee working on the proposals, was not ready to make a definite statement, but according to the published reports the greatest difficulty over the adoption of an eight-hour day rested with the workmen, who were reported to be opposed to the plan because they would be unable to earn as much as under the present system of twelve hours.

Already there are twenty plants in various sections of the country which are working the eight-hour shift. It also has been pointed out that swift progress had been made during the last twelve months toward the elimination of the "long turn in steel."

An article in a recent issue of *The Survey* says that adopting three shifts would cost the United States Steel Corporation between \$80,000,000 and \$100,000,000 a year. It was set forth that there were 66,711 twelve-hour men in the employ of the corporation, which is 39.27 per cent. of the wage earners employed by its constituent companies in manufacturing. It also was pointed out that another \$70,000,000 or \$100,000,000 represented the corporation's cost for housing the additional number of employees who would be needed to make the change to an eight-hour day.

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### **Thirty-two General Electric Apprentices Complete Their Courses**

Thirty-two young men during 1920 successfully completed the Apprentice Drafting Course offered by the Shop Apprentice System of the General Electric Co.

The Shop Apprentice System was organized in 1901 for the purpose of preparing boys, who cannot attend college, for profitable careers of industrial usefulness. Special courses of from three to four years are offered those who desire to become drafts-

men or machinists. In addition to classroom work with special emphasis on mathematics, the young men receive a practical course of training in the shops.

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### **Training Activities of Swift & Co.**

Foremen and other minor executives numbering eighty-two from the Eastern plants held the last meeting of the Modern Production Methods Class in New York on January 19th. By unanimous vote the class is to continue as a permanent Foremen's Club.

On January 20th one hundred and fifteen foremen and department heads of the Modern Production Methods Class held their final meeting at Toronto. This class, which has also an active Employees Relations Committee, handling all the workers conditions, has organized as a permanent Study Club.

The executives of the New Jersey subsidiaries of the company to the number of one hundred and fifty-one met in Jersey City on January 18th, and received their diplomas, having completed their studies in the Foremen's Training Class. This class also organized for permanent continuation of their study activities.

On January 21st one hundred and twenty-nine foremen and department heads met in Cleveland to celebrate the successful conclusion of their Foremen's Training Studies. It was unanimously voted to organize a permanent Study Club of the Foremen and Office Heads.

On February 1st the Employees Educational Institute met in Omaha with five hundred present. The object of the Institute is the improvement of employes through training methods.

On January 15th, Mr. A. H. Lewis, General Manager of the St. Louis office of Swift & Co., held a meeting of clerks, teamsters, luggers, cutters, small-stock butchers and managers. Mr. Lewis reviewed the company, its activities, opportunities for cooperation, the advantages of employes being shareholders of the company's stock, and other subjects appropriate to the occasion. He pointed to the number of teamsters who have in the past outgrown their jobs and assumed greater responsibility as an example of the unlimited opportunities that lay before every employe of the company. It was generally understood that this was the first of a series of such meetings where company problems will be frankly discussed, and the managers, foremen, etc., may become better acquainted with the rank and file of employes.

### NEWSY NOTES

The Mountain States Telephone & Telegraph Co. has increased the minimum pension of retired employes to \$30.00 per month. All employes who are pensioned in the future will receive at least this amount, and those who have been receiving less have been increased.

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A company publication of the Joseph Horne Co., of Pittsburgh, contains an honor roll of sixty-one employes who have been in the service of that company for twenty-five years or more. Upon attaining twenty-five years of service, employes are granted their choice of a copper plate or a gold wrist watch.

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Representatives of the New England Telephone & Telegraph Co. have given about 150 lectures to audiences composed of the public, who are interested in telephone service. These lectures are illustrated by stereopticon and motion pictures. In this way the company is able to educate the public to an understanding of its problems and its desire to serve.

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The New York Telephone Co. now has in its employ over 46,000 people, and the number is still increasing.

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The Dodge Manufacturing Co. maintains a savings plan, through which employes are enabled to save 5% of their wages. The plan is the outgrowth of savings on the part of employes to purchase liberty bonds.

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The Travelers Insurance Co. reports that the results of the fall term of its school were gratifying. The instructors are employes of the company who gave their time to help their fellow-employes to become very efficient in their work. Prizes and certificates were awarded to students who completed the term with a satisfactory rating. First prizes were \$40.00, second prizes \$30.00, and third prizes \$20.00. Those securing prizes gained a percentage rating of from 82 to 98.

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The Employes' Executive Committee of the Washburn-Crosby Co. has taken preliminary steps in the organization of a Building and Loan Association, through which employes will be assisted in becoming home owners.



The A. M. Byers Co. has adopted the policy whenever vacancies occur of promoting their own employes to executive positions insofar as this policy is possible. A recent issue of one of this company's publications contains a list of employe promotions, which carried wage increases ranging from 2 to 90%.

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The Commercial School of The New York Edison Company recently inaugurated classes in sewing and in cooking, open to all employes of the company. The instruction is given by specialists from the company's Bureau of Home Economics.

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#### **Armour & Co. Employes Petition Against Further Federal Interference**

A new feature in management was inaugurated by 13,000 employes of Armour & Co., whose employment is in the works, and 8,000 additional of the office and branch house employes, who recently sent two of their number to Washington to present the workers' petition against further Federal interference with the packing industry. The petition was presented by John Byrnes and James Towle to Congressman John W. Rainey, who represents the stockyards district in Congress.

The protest containing the signatures of the employes was placed on file so that it could be inspected by all of the congressmen. Mr. Towle and Mr. Byrnes were prepared to appear before the house committee in opposition to the proposed packer legislation, but Congressman Rainey expressed the opinion that their appearance would not be necessary.

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#### **The Theodore N. Vail Memorial Fund**

In the March issue of the BULLETIN appeared an article descriptive of the Theodore N. Vail Memorial Fund, in which it was stated that this fund was created by Mr. Vail prior to his death. This information was incorrect, as the fund has been voted by the Board of Directors as a memorial to Mr. Vail; otherwise the information as given was correct.

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#### **The Size and Importance of the Modern Business Organization**

Some idea of the vastness of business organizations may be gained from statistics made available by the American Telephone

& Telegraph Co., the United States Steel Corporation, the Pennsylvania Railroad and similar organizations.

Holders of the common stock of the United States Steel Corporation as of Jan. 31, 1921, totaled 99,000. Preferred stockholders numbered 81,000. There were 20,500 stockholders of both classes, making the total number of stockholders of both classes approximately 170,000. It was also stated that the number of employes and members of their families holding stock has reached a record total of 66,506.

From the above figures it will be seen that there are more stockholders in this great business organization than there are citizens in some of our states. Indeed there are nearly as many employe stockholders as there are citizens in some of the Western commonwealths.

The Pennsylvania Railroad also has over 130,000 stockholders.

### DIRECTORY OF LOCAL CHAPTERS

#### Chicago Chapter

F. E. WEAKLY, Chairman.

Montgomery Ward & Company,  
Chicago, Ill.

MISS ANN DURHAM, Secretary-  
Treasurer.

Federal Reserve Bank of Chi-  
cago, Ill.

#### Southern New England Chapter

A. C. JEWETT, Chairman.

Winchester Repeating Arms  
Company, New Haven, Conn.

ROBERT H. BOOTH, Secretary-  
Treasurer.

Bridgeport Brass Company,  
Bridgeport, Conn.

#### Pittsburgh Chapter

I. B. SHOUP, Chairman.

Westinghouse Elec. & Mfg.

Company, East Pittsburgh,  
Pa.

MR. W. D. MCCOY, Secretary-  
Treasurer, Board of Educa-  
tion, Pittsburgh, Pa.

#### Western New York Chapter

E. R. COLE, Chairman.

Acheson-Graphite Company,  
Niagara Falls, N. Y.

H. E. PUFFER, Secretary-Treas-  
urer.

Larkin Company, Buffalo, N. Y.

#### New York City Chapter

DR. L. F. FULD, Chairman.

Henry L. Doherty & Company,  
New York, N. Y.

JOHN F. KELLY, Secretary-Treas-  
urer.

The New York Edison Com-  
pany, New York, N. Y.

### CHAIRMEN AND DUTIES OF SUB-COMMITTEES

#### Application of Psychological Tests and Rating Scales in Industry

MISS ELSIE OSCHRIN, Chairman.

R. H. Macy & Company, New  
York City.

#### Duties:

- a. To again state the method of development of tests and to give a history of their current usage with concrete instances.

- b. To determine the indications for the continued and increasing use of tests in their application to employment and personnel problems.

- c. To make further report on the use of the Rating Scale.

#### Employment

MR. H. E. VON KERSBURG, Chair-  
man.

R. H. Macy & Company, New  
York City.

**Duties:**

- a. To define the scope and functions of a standard employment department.
- b. To study the relation of the employment department to other sub-divisions of personnel work—training department, health department, welfare department, safety department, etc.; to study and report the relation of the employment department to production, accounting and financing, traffic, marketing.

**Executive Training**

DR. E. B. GOWIN, Chairman.  
Litchfield, Nebr.

**Duties:**

To study successful plans for the selection and training of men for executive positions.

**Foremen Training**

MR. HARRY H. TUKEY, Chairman.

Submarine Boat Corporation,  
Newark, N. J.

**Duties:**

- a. To define what are the scope and functions of foremen training.
- b. To establish definite aims and to frame content which will meet these aims.
- c. To discuss the merits of instructional methods.

**Health Education**

DR. E. S. MCSWEENEY, Chairman.

New York Telephone Company,  
New York City.

**Duties:**

To make a study to determine best plans for health education and to recommend methods for the instructing of employes in the developing and maintaining of health.

**Job Analysis**

MR. HARRY A. HOPF, Chairman.  
Federal Reserve Bank of New York, New York City.

**Duties:**

- a. To determine the influence of job analysis on the equitable establishment of wages.
- b. To determine human qualifications necessary for certain occupations.
- c. To determine methods in the selection of employes for specific jobs.

d. To determine how best to utilize disabled men.

e. To make a study of correlations in the establishment of specifications for the same kind of work in the same plant and in different plants.

**Labor Turnover**

DR. HUGO DIEMER, Chairman.  
LaSalle Extension University,  
Chicago, Ill.

**Duties:**

To make a study of abnormal labor turnover of the present period due to the world war and how this extraordinary condition has been successfully met by certain industrial and commercial companies which have maintained a normal labor turnover.

**Marketing**

MR. W. E. FREEMAN, Chairman.  
Westinghouse Electric & Manufacturing Company, East  
Pittsburgh, Pa.

**Duties:**

To make the application of training to the fundamentals of marketing as set forth in the Sub-Committee Report of 1919.

**Office Work Training**

MISS HARRIET F. BAKER, Chairman.  
The New York Edison Co.,  
New York, New York.

**Duties:**

To study the problems of training workers in small offices and departments and to suggest types of training adapted to them.

**Profit-Sharing and Allied Thrift Plans**

MISS HARRIET F. BAKER, Chairman.  
The New York Edison Company, New York City.

**Duties:**

To study the relative merits of various thrift plans and to outline typical programs for promoting thrift.

**Public Education**

MR. C. E. SHAW, Chairman.  
Dennison Manufacturing Company, Framingham, Mass.

**Duties:**

To suggest a scheme of standards for rating the graduates

of the public schools which will enable employers to judge more fully their fitness for their work.

#### Skilled and Semi-Skilled Labor

DR. A. J. BEATTY, Chairman.  
American Rolling Mill Company, Middletown, Ohio.

##### Duties:

- a. To recommend a program for the developing of skilled and semi-skilled workers other than through apprenticeship.
- b. To recommend methods for training for semi-skilled and skilled workers.

#### Technical Training

DR. R. L. SACKETT, Chairman  
The Pennsylvania State College, State College, Pa.

##### Duties:

To continue the study of practical ways of securing co-operation between the industries and technical institutions:

1. By individual contact between the industries and the colleges;
2. By improvement in technical training methods;
3. By studying methods for the selection of men.

#### Trade Apprenticeship

MR. E. E. SHELDON, General Chairman.  
R. R. Donnelley & Sons Company, Chicago, Ill.

##### Duties:

To suggest supplemental subjects which may well accompany the trade teaching of an apprentice school.

#### Section I—Manufacturing

MR. R. F. CAREY, Chairman.  
Westinghouse Electric & Manufacturing Company, Lester, Pa.

##### Duties:

- a. To make a study of the economics of apprenticeship.
- b. To make a further study of the standardization of apprenticeship instruction.

#### Section II—Steel and Iron and Plant Maintenance

MR. JAMES R. BERRY, Chairman.  
American Rolling Mill Company, Middletown, Ohio.

##### Duties

- a. To define the field for apprentice courses.
- b. To study the possible extension of apprenticeship courses.
- c. To outline typical courses.

#### Section III—Railroads

MR. J. H. YODER, Chairman.  
The Pennsylvania Railroad Company, Altoona, Pa.

##### Duties

- a. To make a survey of the present status of trade apprenticeship in railroad shops.
- b. To recommend helpful suggestions for the improvement of existing conditions and possible enlargement of the field.

#### Training for Foreign Commerce

MR. C. S. COOPER, Chairman.  
W. R. Grace & Company, New York City.

##### Duties

To study existing schemes of training for foreign commerce and to show the best methods employed.

#### Unskilled Labor and Americanization

MR. J. E. BANKS, Chairman.  
American Bridge Company, Ambridge, Pa.

##### Duties

- a. To consider the problem of increasing the efficiency of unskilled labor.
- b. To continue the study of successful methods in Americanization work.

#### Visualized Training

MR. HOWARD M. JEFFERSON, Chairman.

Federal Reserve Bank of New York, New York City.

##### Duties

- a. To study the progress made in visualized training, particularly the progress that has been made in the last six years.
- b. To attempt to evaluate the work that has been done from an educational standpoint.
- c. To make suggestions regarding the ways in which visualized training may be used effectively in industry and in commerce.



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